

Transactions and Undertakings

1. MODA is hereby directed and ordered and hereby agrees to undertake and complete the transactions and undertakings set forth in the RBC Plan, subject in each case to the terms thereof.

2. MODA shall, by completion of the transactions and undertakings set forth in the RBC Plan or otherwise with the consent of DCBS, raise a total amount of not less than \$179,000,000 of additional capital as scheduled in the RBC Plan. The additional capital amounts set forth in this Paragraph shall be determined on an after tax basis, shall be net of all transaction expenses, and may be satisfied by the receipt of transaction proceeds directly by MODA or by contributions to the capital of MODA by MODA INC.

3. At any time upon DCBS's request, MODA shall prepare and deliver to DCBS its updated projected statements of cash flows setting forth management's reasonable estimate of cash flows of MODA through December 31, 2016 and demonstrating MODA's ongoing solvency and ability to pay and satisfy its obligations as they come due.

4. MODA shall deliver to DCBS, the Washington State Office of Insurance Commissioner (OIC), and the Alaska Division of Insurance (DOI) all such additional financial or other information as may be requested by DCBS, the Washington OIC, or the Alaska DOI, including without limitation detailed plans with respect to managing the operating and other expenses of MODA. MODA shall deliver all such requested information within the timeframe set by DCBS, the Washington OIC, or the Alaska DOI, unless MODA demonstrates good cause for additional time to respond to a request.

5. MODA shall make and maintain a deposit in an amount in cash equal to \$15,000,000 for the protection of Alaska policyholders and subject to the requirements of AS 21.24. The funds on deposit pursuant to this Paragraph must be held in a bank and under a form of depository agreement acceptable to the Alaska DOI. The deposit may be made in installments, beginning with an initial installment of \$5,000,000 on or prior to February 16, 2016, an additional installment of \$5,000,000 on or prior to March 15, 2016, and a final installment of \$5,000,000 on or prior to April 15, 2016. Funds held on deposit may not be withdrawn or otherwise removed except by authority of the Alaska DOI. After August 15, 2016, MODA may petition the Alaska DOI for reduction of the required deposit based on updated financial information for MODA.

6. MODA shall comply with the terms, conditions and limitations on the operation of its business as set forth in the RBC Plan, and acknowledges that the RBC Plan is valid and enforceable and remains in full force and effect.

7. MODA shall continue to provide insurance coverage and related services to its individual market policyholders resident in both Oregon and Alaska in accordance with the terms of all outstanding policies, and shall make payment to its providers and other creditors in the ordinary course of business.

Other Provisions

8. Each of MODA and MODA INC. shall, upon request by DCBS, provide all documentation and information determined by DCBS to be necessary to verify compliance with the terms of this Consent Order or the RBC Plan. Except with the prior written consent of DCBS, MODA shall not, and MODA INC. shall cause MODA not to, increase the salaries or benefits of its executives, officers and directors.

9. The rights and remedies available to any party under this Consent Order or the RBC Plan are cumulative and in addition to, and not exclusive of or in substitution for, any rights or remedies otherwise available at law or in equity. By entering into this Consent Order, DCBS does not waive any right that it may have to take other and further regulatory action with respect to MODA or MODA INC. or any regulated affiliates or subsidiaries, including (a) for any matter unrelated to their financial condition, (b) in the event that their financial condition continues to deteriorate, or (c) in the event that DCBS becomes aware of any fact or facts that cause DCBS to materially alter its assessment of their financial condition or operational integrity.

10. The Supervision Order is terminated.

11. This Consent Order and any dispute hereunder shall be governed by the laws of the State of Oregon, without regard to principles of conflicts of laws.

12. This Consent Order, together with the RBC Plan, constitutes the entire agreement among DCBS, MODA and MODA INC. with respect to the subject matter hereof, and supersedes any prior communication, understanding or agreement, whether written or oral, concerning the matters set forth herein.

13. In the event that any one or more provisions of this Consent Order or the RBC Plan shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Consent Order or the RBC Plan.

14. No amendment or waiver of any provision of this Consent Order or the RBC Plan shall be valid unless in writing and signed by the party to be charged with such amendment or waiver. No waiver by any party of any default or breach of any provision of this Consent Order or the RBC Plan, whether intentional or not, shall be deemed to extend to any prior or

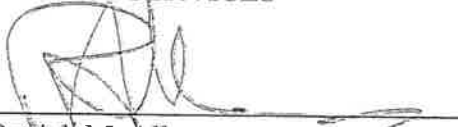
subsequent default or breach, or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

15. This Consent Order may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.


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DATED this 6th day of February, 2016.

OREGON DEPARTMENT OF CONSUMER
AND BUSINESS SERVICES

By: 
Patrick M. Allen
Director

MODA HEALTH PLAN, INC.

By: 
Name: ROBERT G. GOOTEE
Title: CEO

MODA, INC.

By: 
Name: Robert G. GOOTEE
Title: CEO